



Irish Life Weekly Investment Bulletin

The week that was – WEEK 37 (ending 15/09/2017)

“Don't stumble over something behind you.” – Seneca the Younger

Irish household net worth for Q1 has risen by 55.9% from its low point – The latest Quarterly Financial Accounts from the Central Bank just published shows that household net worth for Q1 stood at €670.3bn (€142,914 per capita), up 55.9% from its low point in Q2 2012 and just 6.7% lower than its peak in Q2 2007.

Irish economy bounces back in Q2 – The Central Statistics Office announced that the Irish economy expanded 1.4% during Quarter 2 (after a 3.5% fall in the first three months of the year) and grew by 5.8% year-on-year. Personal consumption declined however by 1.1%, linked partly to a rise in UK used car imports.

Global stock market up 1.4% on the week – The MSCI AC World TR Index showed a 1.41% rise from the 8th September to 15th September, despite North Korea's launch of yet another missile and Friday's rush hour terrorist explosion in London. Volatility, as measured by the VIX, reduced to 10.17 from 12.35 over the week.

U.S. inflation rises to 1.9% in August – The Labor Department announced that the Consumer Price Index jumped 0.4% in August, up from 0.1% in July, and a 1.9% year-on-year increase compared to July's 1.7%. This could allow more wriggle-room for Federal Reserve officials to consider increasing interest rates this year.

BOE holds UK interest rates steady despite inflation rise – The Bank of England voted (by 7 votes to 2) to keep interest rates at 0.25% despite inflation increasing to 2.9% in August, well above the bank's target of 2%. BoE governor Mark Carney was quoted as saying that the possibility of a rate hike has “definitely increased”.

Oil price hits highest level since May – Oil prices extended their end August rally and Brent crude moved back above \$55 for the first time since May as the International Energy Agency and OPEC raised their outlook for 2017 global oil demand growth and gasoline inventories fell due to impacts from the hurricane season.

The Story of the week: A family in Coventry called the RSPCA to deal with a rare lizard seen under the bed in their teenager's bedroom. The RSPCA officer, Vic Hurr, went to the house and she approached “cautiously” not knowing whether it was a dangerous breed or not, before realising the reptile was in fact just a dirty sock. “It was around seven inches long and about two inches wide,” Ms Hurr told the BBC. “It was protruding from the edge of the bed and it wasn't moving at all. “I got out my torch to see better and that's when I realised it wasn't a lizard at all, it was a pink stripy sock.” The family was apparently “mortified” after discovering the error.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 15/09)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	13.0
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	3.7
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	6.5
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	9.2
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	13.3
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	20.0
Nikkei 225	22.9	56.7	7.1	9.1	0.4	4.2
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	22.4
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	-0.1
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.7
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.4
Portugal	6.9	6.1	2.7	2.5	3.8	2.5
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.20
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.35
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance